

CLEVELAND PUBLIC LIBRARY

Board Meeting

September 17, 2020

RESOLUTION AUTHORIZING AMENDMENT TO AGREEMENT FOR DESIGN SERVICES FOR THE MARTIN LUTHER KING, JR. BRANCH OF THE CLEVELAND PUBLIC LIBRARY

WHEREAS, On June 18, 2019, the Board of Trustees of the Cleveland Public Library authorized an agreement with SO-IL Office Ltd and/or JKURTZ Architects Ltd in the amount of \$1,456,525 for architectural and engineering design services for the new Martin Luther King, Jr. Branch; and

WHEREAS, On November 15, 2019, the Library and JKURTZ Architects Ltd entered into an agreement for architectural and engineering design services for the new Martin Luther King, Jr. Branch in an amount of \$1,435,210, with the lower amount being the result of a change in the architects' consultants; and

WHEREAS, In April of 2020, the design development phase of design was completed and estimates were obtained for the total project costs. The estimates revealed that the project costs substantially exceed the budget for the branch, and after considerable review and consideration, the Library Administration has directed the architects to revise the design and produce revised development documents; and

WHEREAS, SO-IL + JKURTZ have submitted a proposal for the additional architect fees for the revised design and documents in the amount of \$496,160; now therefore be it

RESOLVED, That the Board of Trustees authorizes the Executive Director, CEO or his designee(s), to negotiate and execute an amendment to the agreement with JKURTZ Architects Ltd., in an amount not-to-exceed \$496,160, with the expenditure being charged to the Construction – Tax-Exempt fund account 40276705-55300 (Construction/Improvements), and increases the agreement to a total cost of \$1,931,370, in such form as is approved by the Director of Legal Affairs.

Bryan Szalewski
Cleveland Public Library
325 Superior Avenue
Cleveland, OH 44114

RE: Cleveland Public Library
Martin Luther King Jr. Branch
Reconciliation and Reconstitution of Design Development

Dear Bryan,

In response to our recent discussion regarding resetting the budget and scope for the MLK Branch Cleveland Public Library we have compiled the following process outline. CPL has elected to reset the overall project budget to roughly \$19.3M, which includes allowances and soft cost projections provided by CPL. We have utilized this spreadsheet and further refined certain aspects to outline a construction and cost target. The guiding force of this recalibration is CPL's desire to maintain an iconic library of the 21st century consistent, to the extent possible, with the existing design direction and ambition. Making these accommodations and targets will require a combination of scope clarification and distillation alongside prudent design modifications and, in many instances, re-design and reconsideration of certain components.

We know this project is a legacy project for a civic institution that will be expected to be relevant and usable for at least the next half a century. It is our aspiration that we make critical design and material decisions with an eye toward current and lasting impact and that foremost concern that the Martin Luther King Branch of the Cleveland Public Library serve as an anchor for the institution, the development of which it is part, and the critical confluence of cultures and neighborhoods it represents.

1.0 Project Information

- 1.1 Project Description: Continuation of the MLK Library scope of services as outlined in the original contract agreement and proposal which this proposal amends and supersedes where a conflict is present.
- 1.2 Project location and Boundaries: See attached Exhibit C for latest site plan.
- 1.3 Project Design Schedule: Roughly 5 months + the original CD-CA schedule and as outlined in item 2.0. Project Reconciliation will need to be completed in February 2021.
- 1.4 Project Building Construction Cost Assumption: ~\$17.59M + \$700,000 FFE
- 1.5 Project Responsibilities: As indicated in 3.0 Scope of Basic Services and thereafter consistent with the original signed agreement.

2.0 Project Schedule Workflow

At the completion of the Design Development phase, a construction cost estimate was reconciled between PCS and Panzica Construction. Upon CPL's reappraisal of their overall project budget, a determination was made to revise the design and design development phase to conform with an updated project budget as indicated in Exhibit B.

This proposal assumes the interjection of a cost reconciliation phase in concert with a redevelopment of Design Development documents in order to produce a new Design Development estimate prior to beginning Construction Documents. Upon commencing Construction Documents, the previously scheduled durations will apply as indicated in the prime agreement and proposal.

This new Project Reconciliation phase will consist of three parts: a budget/scope/design reconciliation, Design Development reconstitution, and revised estimating and confirmation. The months provided below are meant to indicate duration from approval to proceed

Overall Study Duration - 5+/- months | Sept 2020 - Feb 2021 *

*Duration based timeline

Reconciliation - Budget/Scope/Design - 1 Month | Sept/Oct 2020 *

Reconstitution - Design Development - 3 Months | Oct 2020* - Jan 2021 *

Estimating/Confirmation - 1 Month | Feb 2021 *

3.0 Scope of Basic Services

3.1 Reconciliation

The design team will work alongside Panzica construction to identify key strategies and scope considerations for achieving the desired budget goals. We assume work sessions and feedback from both Panzica and CPL as we identify possible reductions in scope, area, systems, assemblies, and materials. We will not fully vet each approach in this phase but we will work to identify granular targets and likely alternatives across architecture and engineering disciplines.

The goal of this first month exercise will be to arrive at a plausible strategy for hitting our outlined budget target in relation to the design and engineering. There will be many components of this initial strategy that will require more design direction and study to properly recommend and confirm costs but it is intended that we make sufficient inroads and speculation relative to cost cutting measures to reconstitute the Design Development documents.

Project Description:

In concert with the reconstitution and reconciliation phases we will review client notes from our initial DD submission and where those notes constitute changes at the DD level we will address them in the course of the overall phase. Effectively taking into account owner comments within a renewed Design Development package.

3.2 Reconstitution

Based on information gathered and strategies outlined in the first phase and a more complete understanding of the opportunities and constraints of both the building and program, the reconstitution phase will be to adapt, redraw, and redesign plans, systems, assemblies and materials to meet those expectations. The work product for this phase will follow the Design Development criteria as outlined in the Prime Agreement.

For example purposes, in phase one we may identify a certain material and application for reconsideration or removal. Working with Panzica, we will settle on a plausible cost target for that substitution. Within the reconstitution phase the design team will further articulate the aesthetic suitability, performance requirements, and define other assumptions or assemblies that may be affected by the selection. We will rely on CPL approval for the substitution and new direction and will move in that direction. As we finalize each modification for Design Development documents, the expectation will be that we achieve the same level of resolution and integration as was evident in our initial submission.

3.3 Estimating/Confirmation

In January/February the design team will deliver an updated Design Development package to Panzica construction for estimating. We assume this will be a new estimate based on the design documents provided. Once the estimate is received, we will confirm its conformance with CPL's budget. We have also included third party estimating by PCS included in this proposal by removing their previously allocated CD estimate proposal and transferring it into this phase. This is reflected in the revised fee's by phase included herein.

3.4 Process/Approvals

Internal - We assume we have access for the duration of the process to Panzica Construction for cost/constructibility related feedback as has been the case in the past. In addition we request Jean McFarren and/or others with intimate knowledge of programming and collections to be accessible on behalf of CPL and that CPL outline an approval process by which modifications to scope can be assessed and responded to in a timely manner.

3.5 Notice to proceed

Upon completion of the Design Development documents and approvals for budget, scope and content by CPL we will proceed to Construction Documents as outlined in the Prime Agreement.

Project Description:

4.0 If-Authorized Services

Services that may be required for the Project but not included in the Scope of Basic Services are outlined within the original Prime Agreement.

5.0 Fee

See Attached Services Summary & Fee Proposal Exhibit A

6.0 Terms and Conditions

See original Prime Agreement.

We are committed to our mutual success in this important project for Cleveland Public Library and will work diligently to that end. I thank you for your time and consideration. If you have any questions or if any of the services differ from your expectation, please contact me directly at 330.328.7347 or jk@jonathankurtz.com

Sincerely,

A handwritten signature in black ink, appearing to read 'Jonathan Kurtz', with a long horizontal flourish extending to the right.

Jonathan Kurtz, Principal
jk@jonathankurtz.com

Exhibit A

Project Fees

The revised budget for the MLK Library is a construction cost (including Cost of Work, Escalation, Design Contingency and CM) of \$17,583,272 and a FFE Budget of \$700,000 (Totaling \$18,283,272). This fee schedule will supersede others moving forward. Should scope or budget change materially, our fee schedule will be updated at that time.

Fee schedule breakdown by phase:

Design Development	\$373,370 (Completed)
* Project Reconciliation Phase	\$377,305 (New)
Construction Documents	\$602,960 (Revised)
Bidding	\$47,030 (Revised)
Construction Administration	\$463,280 (Revised)
Reimbursables	\$67,425 (unchanged)
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TOTAL	\$1,931,370
Current Contract	\$1,435,210
Amendment	\$496,160

Exhibit B

Project Budget Baseline

- See Cleveland Public Libraries MLK Branch - DD Budget Estimate Dated September 8, 2020

Exhibit B

**CLEVELAND PUBLIC LIBRARIES
FACILITIES MASTER PLAN - GROUP 1A PROJECTS
MLK BRANCH - DD BUDGET/ESTIMATE
September 8, 2020**

NET BLDG. AREA (SF) **25,000** (approx.) **34,529** (CM)

	REVISED BUDGET	DESIGN DEVELOPMENT 6/10/20	DIFFERENCE	NOTES
COST OF WORK:				
Division				
1 General Requirements		898,944	\$26.03	
2 Existing Conditions		NIC		
3 Concrete		5,094,807	\$147.55	
4 Masonry		117,680	\$3.41	
5 Metals		1,062,885	\$30.78	
6 Wood, Plastic & Composite		776,980	\$22.50	
7 Thermal and Moisture Protection		558,200	\$16.17	
8 Openings		3,115,947	\$90.24	
9 Finishes		2,254,980	\$65.31	
10 Specialties		89,260	\$2.59	
11 Equipment		10,950	\$0.32	
12 Furnishings		1,238,029	\$35.85	
13 Special Construction		NIC		
14 Conveying Systems		110,100	\$3.19	
21 Fire Suppression		154,500	\$4.47	
22 Plumbing		232,280	\$6.73	
23 HVAC		1,927,740	\$55.83	
26 Electrical		1,874,389	\$54.28	
27 Communications		230,060	\$6.66	
28 Electronic Safety & Security		65,850	\$1.91	
31 Earthwork		925,551	\$26.81	
32 Exterior Improvements		415,970	\$12.05	
33 Utilities		365,160	\$10.58	
Design Contingency		1,031,066	4.8%	
Escalation		451,030	2.0%	
SUBTOTAL COST OF WORK	16,202,960	\$648.12	23,002,358	\$666.18
				6,799,398 Panzica / PCS Estimate
CONSTRUCTION MANAGER:				Panzica Construction Co.
Preconstruction Services	80,000	LS	60,320	LS
Construction Stage Personnel	442,096	LS	442,096	LS
General Conditions	47,600	LS	47,600	LS
CMR Contingency	324,059	2.00%	451,030	2.00%
CMR Fee	292,121	1.75%	427,870	1.75%
General Liability Insurance	87,496	0.54%	124,030	0.54%
Bond	106,940	0.66%	152,220	0.66%
SUBTOTAL CONSTRUCTION MANAGER	1,380,312	8.52%	1,705,166	7.41%
				324,854 % of Const. Cost
TOTAL CONSTRUCTION COST	17,583,272	\$703.33	24,707,524	\$715.56
				7,124,252 Cost of Work + CM
OWNER CONSTRUCTION CONTINGENCY	810,148	5.0%	1,150,118	5.0%
				339,970 % of Const. Cost
FURNITURE FIXTURES & EQUIPMENT	700,000	\$28/SF	1,078,642	\$31/SF
				378,642 Regency DD Pricing
ARCHITECT / ENGINEER:				JKURTZ SO-IL
Conceptual Design	65,825		65,825	
Schematic Design	409,285		409,285	
Professional Design Fees (DD, CD, CA)	1,367,785		1,367,785	
LEED Design Fees	included		included	
LEED Registration/Administration Fees	included		included	
Printing Reimbursable	67,425		67,425	
Travel/Parking	included		included	
Pending Added Scope Fee	496,160		450,000	
A/E Contingency	0		0	
SUBTOTAL ARCHITECT / ENGINEER	2,406,480	13.2%	2,360,320	9.2%
				(46,160) % of Const. Cost + FFE
OWNER DIRECT COSTS:				
Legal	150,000		150,000	
Property Acquisition	N/A		N/A	
Environmental Site Report	N/A		N/A	
Site Survey	N/A		N/A	
Geotech Soil Borings	N/A		N/A	
Hazardous Materials Report	N/A		N/A	
Utility Costs/Relocations	20,000		20,000	
Agency/Governmental Fees	20,000		20,000	
Building Permit	126,500		170,000	
Builders' Risk Insurance (0.1%)	17,600		25,000	
AV/Tech Equipment	40,000		40,000	
Computers/Telecom	62,000		62,000	
Artwork/Graphics/Displays (1%)	176,000		247,000	
Construction Testing	45,000		45,000	
Commissioning	23,000		46,500	
Roof Inspection	N/A		N/A	
Printing Reimbursable	10,000		10,000	
Moving Costs	35,000		35,000	
Furniture Standards	N/A		N/A	
Community Engagement	5,000		5,000	
Miscellaneous	70,000		100,000	
SUBTOTAL OWNER DIRECT COSTS	800,100		975,500	175,400
TOTAL PROJECT COST	22,300,000	\$892.00	30,272,104	\$876.72
DEVELOPER SHARED COSTS	(3,000,000)		(3,000,000)	
COST SAVINGS	Included above		(2,000,000)	
TOTAL BUDGET FUNDING	19,300,000		25,272,104	5,972,104

Exhibit C

Recent Site Plan

